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5 Attorneys for Plaintiff
REY REY PRODUCE SFO, INC.

6 UNITED STATES DISTRICT COURT
7
8 FOR THE NORTHERN DISTRICT OF CALIFORNIA
9
10 SAN FRANCISCO DIVISION

11 REY REY PRODUCE SFO, INC., a
12 California Corporation,

13 Plaintiff,

14 v.

15 MIS AMIGOS MEAT MARKET, INC.,
16 a California Corporation; URIEL
GONZALES, an individual;
ALEJANDRO COSTA, an individual,

Defendants.

CASE NO. 08-cv-01518-VRW

**STIPULATION FOR ENTRY OF
JUDGMENT AGAINST
DEFENDANTS MIS AMIGOS
MEAT MARKET, INC. AND
URIEL GONZALES; DISMISSAL
WITHOUT PREJUDICE OF
ALEJANDRO COSTA;
[PROPOSED] ORDER THEREON**

17 WHEREAS, between on or about April 17, 2007 and December 31, 2007, in
18 a series of transactions, REY REY PRODUCE SFO, INC. ("RRSFO" or
"Plaintiff") sold and shipped perishable agricultural commodities to Defendants
19 MIS AMIGOS MEAT MARKET, INC., a California Corporation ("MAMM") and
20 URIEL GONZALES ("Gonzales")(MAMM and Gonzales are sometimes referred
21 to jointly as "Defendants"), at said Defendants' request, for which Defendants
agreed to pay RRSFO the principal sum of \$88,753.30;

1 WHEREAS, Defendants have failed to fully pay Plaintiff for such perishable
2 agricultural commodities, and the total combined principal sum of \$88,753.30
3 remains past due and immediately payable by Defendants to RRSFO;

4 WHEREAS, Defendants and Plaintiff wish to compromise and resolve this
5 matter by agreement and stipulation for entry of judgment whereby Defendants
6 shall pay to Plaintiff the full amount agreed upon plus finance charges and
7 attorneys' fees via installment payments in the amounts and at the times stated
8 below;

9 WHEREAS, in exchange for Defendants' promises to make payments as set
10 forth herein and for Defendants' agreement to stipulate to entry of judgment under
11 the terms stated herein, Plaintiff agrees to forebear from further prosecuting this
12 lawsuit against Defendants and enforcing its trust rights under the Perishable
13 Agricultural Commodities Act ("PACA") [7 U.S.C. §499e *et seq.*], and Plaintiff
14 further agrees to immediately release and dissolve the Preliminary Injunction
15 Order entered by this Court on April 24, 2008, so long as Defendants are not in
16 default of the terms of this Agreement and Stipulation.

17 NOW THEREFORE, in consideration of the foregoing, Defendants and
18 Plaintiff hereby stipulate as follows:

19 1. Each of the above recitals is hereby incorporated herein as though
20 fully set forth.

21 2. Defendants MAMM and Gonzales have purchased perishable
agricultural commodities from Plaintiff between April 17, 2007 and December 31,
2007 having a cumulative value of at least \$88,753.30, all of which remains past
due and immediately payable from Defendants to Plaintiff.

3. Pursuant to the invoices at issue here, finance charges are owed to
Plaintiff at the rate of 1.5% per month from the date of each obligation became due
until all amounts due are fully paid. The total amount of finance charges due as of
May 7, 2008 is \$6,198.43.

1 4. Also pursuant to the invoices at issue here, Plaintiff is entitled to all
2 attorney's fees incurred in collection of the past due amounts. As of May 7, 2008,
3 the total amount of attorney's fees incurred totals \$12,360.20.

4 5. Defendants agree to pay RRSFO, and RRSFO agrees to accept total
5 combined payment of \$88,753.30 plus accrued finance charges of \$6,198.43 as set
6 forth in paragraph 3, above, plus the attorney fees and costs incurred by Plaintiff in
7 the amount of \$12,360.20, plus additional fees in the event of default as set forth
8 below in paragraph 14, as payment in full of all monies owed by Defendants to
9 RRSFO for the transactions which are the subject of this Agreement.

10 6. Defendants acknowledge that the products sold and shipped to
11 Defendants were perishable agricultural commodities. Defendants further
12 acknowledge that Plaintiff has taken all steps necessary to preserve all statutory
13 trust rights to which it is entitled under the PACA with respect to the commodities
14 sold to Defendants and that all amounts due herein to Plaintiff are eligible for
15 protection under 7 U.S.C. §499e.

16 7. The balance due Plaintiff as set forth above shall be paid as follows:
17 An initial payment of eighty thousand dollars (\$80,000.00) shall be made on or
18 before Friday May 9, 2008. This payment shall be made by Bank of the West from
19 accounts held by Defendants directly to the client trust account of counsel for
20 Plaintiff, held at California Bank & Trust, 19200 Von Karman Avenue, Suite 140,
21 Irvine, CA 92612, Bank ABA Routing # 121002042, Bank Account # 3510099341
(the "Rynn & Janowsky, LLP Attorney Client Trust Account"). The remaining
balance due to Plaintiff as set forth above shall be made by Defendants in equal
\$5,000.00 monthly installments commencing May 30, 2008 and continuing on the
30th day of each and every consecutive month thereafter until fully paid, including
principal, finance charges and fees as set forth in paragraphs 2, 3, and 4 of this
Stipulation. The \$5,000.00 monthly payments are minimum payment only, and
Defendants may prepay all or part of the amount due hereunder without penalty.

1 8. All payments described in paragraph 7 above, shall be made by wire
2 transfer, cash, or cashier's check, made payable to "Rynn & Janowsky Client Trust
3 Account" and delivered to the following address for *receipt* in such office by 5:00
4 p.m. on the dates designated hereinabove. The payments are to be received by
5 Plaintiff at the following address: Bart M. Botta, Rynn & Janowsky, 4100 Newport
6 Place Drive, Suite 700, Newport Beach, CA 92660. In the event the 30th day of
any given month is a Sunday or a federal holiday, payment is due on the next
business day thereafter.

7 9. As further valuable consideration for Plaintiff to enter into this
8 Agreement, Plaintiff and its counsel, agents, or representatives, shall have full,
9 complete, and continuing access upon 24 hour notice to all Defendants' books and
10 records, which shall include but not necessarily be limited to, Defendants' accounts
11 receivable and payable ledgers, invoices, ledgers, computer runs, bank statements
and canceled checks, relating to Defendants' business activities for the purpose of
monitoring and verifying Defendants' accountings.

12 10. In the event that Defendants fail to remit any payment when due
13 hereunder, Plaintiff shall give notice to Defendants that such performance is
14 delinquent. Notice of said delinquency will be deemed given by Plaintiff to
15 Defendants upon providing written notice via fax to Defendants counsel at fax no.
16 (925) 458-9229 or at such other numbers as Defendants may notify Plaintiff's
17 attorney in writing. In the event the above-listed fax numbers is not working when
18 Plaintiff attempts to give notice and Defendants have failed to notify Plaintiff's
19 attorney of another number, the notice requirements hereunder shall be satisfied.
20 Defendants shall then have forty-eight (48) hours for such notification within
21 which to cure said delinquency by providing payment for receipt by Plaintiff of the
full amount then past due under the terms of this Agreement. In the event
Defendants fail to cure said delinquency within this forty-eight (48) hour period,
Defendants shall be in default of this stipulation.

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1 11. Upon Defendants' default of this Stipulation, Plaintiff shall be entitled
2 to immediately obtain a judgment, on an *ex parte* basis, without notice to
3 Defendants, in the U.S. District Court for the Northern District of California
4 against Defendants MIS AMIGOS MEAT MARKET, INC., a California
5 Corporation and URIEL GONZALES, an individual. Said judgment shall be in the
6 full principal amount due as alleged herein plus accrued finance charges, costs and
7 fees as set forth elsewhere herein, plus any additional fees and costs incurred in
8 obtaining said judgment, less payments received prior to default. Plaintiff agrees
9 and understand that Defendants' liability under such judgment shall be limited to
10 the amounts then remaining due under paragraph 5 of this agreement and
11 stipulation less payments received prior to default. Defendants agree that said
12 judgment may be based solely on this stipulation for entry of judgment and the
13 declaration(s) of Plaintiff and/or Plaintiff's attorney confirming that Defendants
14 have defaulted on the terms of this Stipulation and have failed to cure said default
15 in the manner and at the times set forth herein.

12 12. Defendants further agree that upon default, Defendants shall
13 immediately execute any and all documents provided by Plaintiff's attorney as are
14 necessary to assign Defendants' accounts receivable to Plaintiff, which shall be
15 collected and applied to the unpaid balances due pursuant to this Stipulation.
16 Defendants further agree that upon default, Defendants shall cooperate with
17 Plaintiff by providing immediate access to all books and records evidencing the
18 outstanding accounts receivable of Defendants.

18 13. So long as Defendants make all payments in the manner and at the
19 times specified herein, Plaintiff agrees to forbear from enforcing its PACA trust
20 rights or further prosecuting its lawsuit against Defendants herein.

21 14. In the event of Defendants' default under this Stipulation, Defendants
shall be obligated to reimburse Plaintiff for Plaintiff's additional reasonable
attorneys' fees and costs for collection efforts resulting from such default.

1 15. Nothing in this Stipulation shall be deemed to be a waiver of any
2 rights Plaintiff may have under PACA, including, but not limited to, its PACA
3 trust rights, or Plaintiff's ability to enforce said trust rights against Defendants
4 upon Defendants' default of the terms of this Stipulation.

5 16. In the event Defendants become insolvent, file a petition in
6 bankruptcy or seeks protection under the bankruptcy laws of any jurisdiction,
7 Defendants agree that the amounts due hereunder are not, pursuant to the statutory
8 trust provisions of PACA, part of the bankrupt estate. Also, the amounts due
9 hereunder are excepted from any discharge pursuant to Section 523(a)(4) of Title
10 11, United States Code.

11 17. The parties agree to dismiss Defendant ALEJANDRO COSTA, an
12 individual, from this lawsuit without prejudice.

13 18. This Stipulation may be executed in counterparts, each of which shall
14 together be construed as a single original document. A fully executed copy of this
15 Stipulation, including facsimile signatures, may be used in lieu of the original for
16 all purposes.

17 19. In the event any provision of this Agreement is deemed to be invalid
18 or void by any court of competent jurisdiction, all other provisions contained
19 herein shall remain in full force and effect.

20 20. This Agreement shall be interpreted, and the rights and liabilities of
21 the parties hereto determined, in accordance with the laws of the State of
California.

 21. Defendants acknowledge that by signing this Stipulation, they are
giving up their right to a jury trial in connection with the allegations contained in
Plaintiff's complaint filed herein and any subsequent complaint which may be filed
by Plaintiff to enforce either this Agreement or any other rights which are the
subject of this Agreement.

 22. Defendants acknowledge being given the opportunity to discuss this

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1 Stipulation with its own attorney(s) and has availed himself of that opportunity to
2 the extent Defendants wish to do so.

3 23. The parties agree that during the repayment period as provided for
4 herein, this lawsuit shall be dismissed without prejudice. The parties further agree
5 that the U.S. District Court for the Northern District of California, San Francisco
6 Division, shall retain exclusive jurisdiction over the parties and subject matter
7 herein to reinstate said action in order to enter judgment in the event of
8 Defendants' default or to otherwise enforce or interpret the provisions of this
9 Stipulation and Agreement.

10 24. All persons who sign this agreement on behalf of a corporation
11 represent and warrant that such persons have the authority to execute this
12 stipulation on behalf of the corporation and that by doing so has bound the
13 corporation to the terms of the stipulation. Said persons also represent that
14 additional steps necessary to bind the corporation shall be promptly taken if
15 necessary.

16 IT IS SO STIPULATED:

17 **REY REY PRODUCE SFO, INC.**

18 DATED: _____

19 By: _____
20 MANUEL REYNOSO, President

21 **MIS AMIGOS MEAT MARKET, INC.**

DATED: _____

By: _____
URIEL GONZALES, President

URIEL GONZALES, Individually

DATED: _____

By: _____
URIEL GONZALES

1 Stipulation with its own attorney(s) and has availed himself of that opportunity to
2 the extent Defendants wish to do so.

3 23. The parties agree that during the repayment period as provided for
4 herein, this lawsuit shall be dismissed without prejudice. The parties further agree
5 that the U.S. District Court for the Northern District of California, San Francisco
6 Division, shall retain exclusive jurisdiction over the parties and subject matter
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11 represent and warrant that such persons have the authority to execute this
12 stipulation on behalf of the corporation and that by doing so has bound the
13 corporation to the terms of the stipulation. Said persons also represent that
14 additional steps necessary to bind the corporation shall be promptly taken if
15 necessary.

16 IT IS SO STIPULATED:

17 REY REY PRODUCE SFO, INC.

18 DATED: 5/7/08

19 By: 
20 MANUEL REYNOSO, President

21 MIS AMIGOS MEAT MARKET, INC.

DATED: _____

By: _____
URIEL GONZALES, President

URIEL GONZALES, Individually

DATED: _____

By: _____
URIEL GONZALES

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1 Stipulation with its own attorney(s) and has availed himself of that opportunity to
2 the extent Defendants wish to do so.

3 23. The parties agree that during the repayment period as provided for
4 herein, this lawsuit shall be dismissed without prejudice. The parties further agree
5 that the U.S. District Court for the Northern District of California, San Francisco
6 Division, shall retain exclusive jurisdiction over the parties and subject matter
7 herein to reinstate said action in order to enter judgment in the event of
8 Defendants' default or to otherwise enforce or interpret the provisions of this
9 Stipulation and Agreement.

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11 represent and warrant that such persons have the authority to execute this
12 stipulation on behalf of the corporation and that by doing so has bound the
13 corporation to the terms of the stipulation. Said persons also represent that
14 additional steps necessary to bind the corporation shall be promptly taken if
15 necessary.

16 IT IS SO STIPULATED:

17 **REY REY PRODUCE SFO, INC.**

18 DATED: _____

19 By: _____
20 MANUEL REYNOSO, President

21 **MIS AMIGOS MEAT MARKET, INC.**

DATED: 5/07/08

By: 
URIEL GONZALES, President

URIEL GONZALES, Individually

DATED: 5/07/08

By: 
URIEL GONZALES

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APPROVED AS TO FORM AND CONTENT:

RYNN & JANOWSKY, LLP

DATED: _____ By: /s/ Bart M. Botta

BART M. BOTTA, Attorneys for Plaintiff

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ORDER

Having read the above Stipulation for entry of judgment and good cause appearing therefor,

IT IS HEREBY ORDERED that this Stipulation be filed and that ALEJANDRO COSTA, an individual is hereby dismissed from this lawsuit without prejudice.

IT IS FURTHER ORDERED that Bank of West shall immediately transfer eighty-thousand dollars (\$80,000.00) from accounts held by Defendants at Bank of the West directly to the client trust account of counsel for Plaintiff, held at California Bank & Trust, 19200 Von Karman Avenue, Suite 140, Irvine, CA 92612, Bank ABA Routing # 121002042, Bank Account # 3510099341 (the "Rynn & Janowsky, LLP Attorney Client Trust Account"). Upon making this transfer, the Preliminary Injunction Order entered by this Court on April 24, 2008 shall be dissolved, and shall become null and void and of no effect.

IT IS FURTHER HEREBY ORDERED that this entire lawsuit be dismissed without prejudice.

IT IS FURTHER HEREBY ORDERED that the U.S. District Court for the Northern District of California, San Francisco Division, shall retain exclusive jurisdiction over the parties and subject matter herein to reinstate said action in order to enter judgment in the event of Defendants' default or to otherwise enforce or interpret the provisions of this Stipulation and Agreement.

SO ORDERED.

DATED: _____

JUDGE, U.S. DISTRICT COURT

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